

reserves, the board of directors may declare a dividend to be paid at different rates on different types of shares, at different rates and maturity dates in the case of share certificates, and at different rates on different types of share draft accounts. Dividends credited may be accrued on various types of shares, share certificates, and share draft accounts as authorized by the board of directors. If the par value of a share exceeds \$5, dividends shall be paid on all funds in the regular share account once a full share has been purchased.

(June 26, 1934, ch. 750, title I, §117, formerly §13, 48 Stat. 1221; renumbered §18 and amended Pub. L. 86-354, §1, Sept. 22, 1959, 73 Stat. 634; Pub. L. 90-188, §2, Dec. 13, 1967, 81 Stat. 567; renumbered title I, §117, Pub. L. 91-468, §1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 93-383, title VII, §725, Aug. 22, 1974, 88 Stat. 720; Pub. L. 95-22, title III, §310, Apr. 19, 1977, 91 Stat. 53; Pub. L. 95-630, title V, §502(b), Nov. 10, 1978, 92 Stat. 3681; Pub. L. 96-221, title II, §207(b)(10), title III, §305(c), Mar. 31, 1980, 94 Stat. 144, 147; Pub. L. 97-320, title V, §524, Oct. 15, 1982, 96 Stat. 1534.)

#### AMENDMENTS

1982—Pub. L. 97-320 substituted “the board of directors may declare” for “the board may declare” and “Dividends credited” for “Dividend credit”, and inserted provision that if the par value of a share exceeds \$5, dividends shall be paid on all funds in the regular share account once a full share has been published.

1980—Pub. L. 96-221, §207(b)(10), struck out “, pursuant to such regulations as may be issued by the Board,” after “declare”.

Pub. L. 96-221, §305(c), inserted provisions relating to share draft accounts.

1978—Pub. L. 95-630 substituted “Board” for “Administrator”.

1977—Pub. L. 95-22 substituted “the board may declare, pursuant to such regulations as may be issued by the Administrator, a dividend to be paid at different rates on different types of shares and at different rates and maturity dates in the case of share certificates” for “the board of directors may declare a dividend to be paid from the remaining net earnings” and “accrued on various types of shares and share certificates” for “accrued on shares” and struck out provision that such dividends shall be paid on all paid-up shares outstanding at the end of the period for which the dividend is declared and provision that shares which become fully paid up during such dividend period and are outstanding at the close of the period shall be entitled to a proportional part of such dividend.

1974—Pub. L. 93-383 substituted “At such intervals as the board of directors may authorize” for “Annually, semiannually, or quarterly, as the bylaws may provide”, and “Dividend credit may be accrued on shares as authorized by the board of directors” for “Dividend credit for a month may be accrued on shares which are or become fully paid up during the first ten days of that month”.

1967—Pub. L. 90-188 inserted “or quarterly” after “semiannually” and substituted “ten” for “five”.

1959—Pub. L. 86-354 authorized semiannual dividends, empowered the board of directors to declare them instead of only recommend them, and provided for dividend credit.

#### EFFECTIVE DATE OF 1980 AMENDMENT

Pub. L. 96-221, title II, §207(b), Mar. 31, 1980, 94 Stat. 144, provided in part that the amendment made by that section is effective 6 years after Mar. 31, 1980.

Amendment by section 305(c) of Pub. L. 96-221 effective at close of Mar. 31, 1980, see section 306 of Pub. L. 96-221, set out as a note under section 1464 of this title.

#### EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-630 effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630, set out as a note under section 1752 of this title.

### § 1764. Expulsion and withdrawal

#### (a) Expulsion by two-thirds vote

Except as provided in subsection (b) of this section, a member may be expelled by a two-thirds vote of the members of a Federal credit union present at a special meeting called for the purpose, but only after opportunity has been given him to be heard.

#### (b) Expulsion based on nonparticipation

The board of directors of a Federal credit union may, by majority vote of a quorum of directors, adopt and enforce a policy with respect to expulsion from membership based on nonparticipation by a member in the affairs of the credit union. In establishing its policy, the board should consider a member's failure to vote in annual credit union elections or failure to purchase shares from, obtain a loan from, or lend to the Federal credit union. If such a policy is adopted, written notice of the policy as adopted and the effective date of such policy shall be mailed to each member of the credit union at the member's current address appearing on the records of the credit union not less than thirty days prior to the effective date of such policy. In addition, each new member shall be provided written notice of any such policy prior to or upon applying for membership.

#### (c) Liability to credit union

Withdrawal or expulsion of a member pursuant to either subsection (a) or (b) of this section shall not operate to relieve him from liability to the Federal credit union. The amount to be paid a withdrawing or expelled member by a Federal credit union shall be determined and paid in a manner specified in the bylaws.

(June 26, 1934, ch. 750, title I, §118, formerly §14, 48 Stat. 1221; renumbered §19, Pub. L. 86-354, §1, Sept. 22, 1959, 73 Stat. 634; renumbered title I, §118, Pub. L. 91-468, §1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 97-320, title V, §525, Oct. 15, 1982, 96 Stat. 1534; Pub. L. 100-86, title VII, §706, Aug. 10, 1987, 101 Stat. 653.)

#### AMENDMENTS

1987—Subsec. (a). Pub. L. 100-86, §706(1), substituted “Except as provided in” for “Subject to”.

Subsec. (b). Pub. L. 100-86, §706(2), inserted “and enforce” after “adopt”.

1982—Pub. L. 97-320 designated existing provisions as subssecs. (a) and (c) and added subsec. (b).

### § 1765. Minors

Shares may be issued in the name of a minor or in trust, subject to such conditions as may be prescribed by the bylaws. When shares are issued in trust, the name of the beneficiary shall be disclosed to the Federal credit union.

(June 26, 1934, ch. 750, title I, §119, formerly §15, 48 Stat. 1221; renumbered §20, and amended Pub. L. 86-354, §1, Sept. 22, 1959, 73 Stat. 634; renumbered title I, §119, Pub. L. 91-468, §1(2), Oct. 19, 1970, 84 Stat. 994.)